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State owes Erie County \$131 million

Staff Reports **The Tonawanda News**

— — New York state's budget impasse isn't just leaving area school districts in limbo. It's also affecting Erie County's cash flow.

The state owes the county more than \$131 million, and most of that money consists of reimbursements for state-mandated services and programs previously handled by the county, County Comptroller Mark Poloncarz said Tuesday.

Of the \$131.48 million the state owes the county, \$73 million of that has been owed for more than three months, according to Poloncarz.

The comptroller's office released a document that details amounts various state departments owe the county. The largest chunk, \$63.6 million, is owed from the state Department of Social Services, while the next largest is \$20.4 million owed by the state Education Department.

The state's Homeland Security, Emergency Management and Family Assistance departments also owe Erie County money.

The comptroller said the county is in jeopardy of facing a serious cash flow by mid-July because the state is withholding payments that Poloncarz says should have been made months ago.

Poloncarz on Tuesday sent a letter to Gov. David Paterson, and the leaders of both the Assembly and Senate, urging them to resolve and enact the 2010-11 state budget.

If that doesn't happen, the county may need to delay payments to its vendors and increase its borrowing, Poloncarz said.

"I aim to avoid either of these potential outcomes, but currently such an outcome is a very real scenario unless the county receives payment from the state of the amounts due and owing," Poloncarz wrote to state lawmakers.

The county successfully managed its cash flow for the past year to address the impact of the state's 2009-10 and 2010-11 budget deficits, the comptroller said.

"In this respect, Erie County was unlike many other county and local governments and school districts across New York, all of which experienced significant negative effects and publicly lamented this issue," Poloncarz wrote.

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